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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91115198
Party	Defendant BUILD-A-BEAR WORKSHOP, LLC ,
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Attachments	BABW'S RESPONSE_TO_REQUEST_FOR_RECONSIDERATION.PDF (15 pages) BABW'S EXHIBIT A.pdf (4 pages) BABW'S EXHIBIT B.PDF (10 pages) BABW'S EXHIBIT C.PDF (5 pages) BABW'S EXHIBIT D.PDF (2 pages)

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being filed with the United States Patent and Trademark Office via the Electronic System for Trademark Trials and Appeals on February 4, 2005. /s/ Michelle W. Alvey

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

THE VERMONT TEDDY BEAR
COMPANY, INC.

Opposer,

V.

BUILD-A-BEAR WORKSHOP, INC.,

Applicant.

Opposition No. 115,198

OPPOSITION TO OPPOSER'S REQUEST FOR RECONSIDERATION

I. INTRODUCTION

The Board by its Order dated December 17, 2004 dismissed Opposer Vermont Teddy Bear's ("VTB" or "Opposer") opposition against Applicant Build-A-Bear Workshop's ("BABW" or "Applicant") application Serial No. 75/434,462. The Board found that VTB had no proprietary rights upon which VTB could claim priority under *Section 2(d)* of the Lanham Act. By this Request for Reconsideration, VTB asks this Board to re-open the dismissed proceedings so that VTB can re-litigate the Opposition on new claims—other than the dismissed *Section 2(d)* claims—even though these new claims were never pleaded or raised until after dismissal.

VTB now seeks to assert the following “other grounds.”¹ for its Opposition: (1) that BABW’s mark is not registrable because it’s merely ornamental and lacks distinctiveness; and (2) that BABW committed fraud on the USPTO when it filed its application for the BABW

¹ VTB itself uses the term “other grounds” to define those issues that VTB wants to now assert in defense of its dismissed Opposition.

mark. The Board should deny VTB's Request for Reconsideration because:

- VTB affirmatively admitted that the dismissed *Section 2(d)* claim was the sole basis of its Opposition;
- Prior to dismissal, VTB neither pleaded nor raised the issue that BABW's mark is not registrable on the basis that it is merely ornamental and lacks distinctiveness and VTB is therefore barred from raising this issue in its Request for Reconsideration;
- Prior to dismissal, VTB neither pleaded nor raised the issue of fraud and VTB is therefore barred from raising this issue in its Request for Reconsideration; and
- The Board's decision that VTB had no protectable trademark rights in a three-dimensional heart eliminates, as a matter of law, the availability of a fraud claim.

Put simply, VTB's Request for Reconsideration is an attempt to re-litigate its Opposition on matters that VTB never raised during the Opposition and were, in fact, affirmatively disavowed as grounds for the Opposition by VTB's own representations to this Board.

II. RELEVANT FACTUAL AND PROCEDURAL BACKGROUND

1. BABW filed a Motion for Summary Judgment and a Memorandum in Support on June 15, 2004. In its Memorandum, BABW expressly stated that the sole basis for VTB's opposition was VTB's alleged priority. *See BABW's Memorandum*, Introduction, Page 1, Paragraph 1 (Exhibit A)².

2. In its Undisputed Statement of Facts, BABW stated:

On August 12, 1999, VTB filed an Opposition to BABW's Application asserting Section 2(d) of the Lanham Act as the basis for its opposition – claiming priority of trademark rights based on prior use of a heart.

² Although the Board has the referenced documents in its possession, BABW has attached the cited pages for the Board's convenience.

BABW's Memorandum, Page 3, Paragraph 3 (Exhibit A).

3. Further, in support of its motion for summary judgment, BABW stated:

Thus, the clear statement of law is that Section 2(d) – **the entire basis for VTB's Opposition** – does not recognize decorative or ornamental use as conferring any trademark rights (emphasis added).

BABW's Memorandum, Page 7. (Exhibit A).

4. On or about June 17, 2004, VTB filed an Emergency Motion To Permit Further Discovery Pursuant to Fed. R. Civ. P. 56(f) and a Memorandum in Support. In its Memorandum, VTB, acknowledged:

Applicant's Motion for Summary Judgment (Applicant's Motion) was filed alleging that the sole basis for Opposer's opposition to registration of Applicant's mark is that Opposer was using the same mark earlier and thus has prior rights to those claimed by Applicant.

VTB's Rule 56(f) Memorandum., Page 6, Paragraph 1 (Exhibit B).

5. In its Memorandum in Support of its Emergency Motion, VTB contended that the requested deposition of Maxine Clark would elicit "information supporting Opposer's contention that its use of its mark is trademark/service mark use and was prior in time to that of Applicant." *VTB's Rule 56(f) Memorandum*, Pages 6-7 (Exhibit B).

6. VTB also maintained that "proof of copying, which can only be elicited through the testimony of Maxine Clark, raises a substantial issue of fact favoring Opposer that the mark that was copied is, in fact, a Trademark." *VTB's Rule 56(f) Memorandum*, Pages 8-9 (Exhibit B).

7. After taking the 56(f) deposition of Maxine Clark, VTB filed its Response to Applicant's Motion for Summary Judgment on June 23, 2004. With respect to BABW's Statement of Undisputed facts, VTB admitted paragraph 3 (set forth above) stating:

Opposer Concedes that Opposer filed a Notice of Opposition to BABW's application on August 12, 1999, asserting Section 2(d) of the Lanham Act as the basis for its opposition – claiming priority of Trademark rights based on prior use of a heart located inside a stuffed animal.

VTB's Response to Applicant's Motion for Summary Judgment, Page 3, Paragraph 3 (Exhibit C).

7. In its Response, VTB claimed that BABW was not entitled to registration for one reason only - VTB's alleged priority. VTB certainly did not maintain that BABW's mark was merely ornamental or lacked distinctiveness. Indeed, VTB claimed that "a heart placed in the chest of a stuffed teddy bear is inherently distinctive, as the Trademark Examining Attorney decided in Applicant's [BABW's] application." *VTB's Response*, Page 21 (Exhibit C).

8. In its Response, VTB never claimed fraud as a basis of its Opposition. In fact, although VTB had taken the deposition of Maxine Clark (which VTB now claims supports its newly alleged fraud claim), VTB did not once mention fraud in its summary of Ms. Clark's deposition set forth in its Response. Rather, VTB merely maintained that Ms. Clark's testimony supported its position that VTB's use of a heart constitutes Trademark use. *VTB's Response*, Page 15 (Exhibit C).

9. In an Order dated December 17, 2004, The Board dismissed VTB's opposition against BABW's application Serial No. 75/434,462. The Board found that VTB had no proprietary rights upon which VTB could claim priority under *Section 2(d)* of the Lanham Act. In reaching its decision, the Board noted:

Opposer timely filed its notice of opposition to registration of applicant's proposed mark under Section 2(d) of the Trademark Act, 15 USC Section 1052(d), on the ground that applicant's mark, as applied to the goods, so resembles a trademark previously used by opposer, as to be likely to cause confusion, mistake or deception."

Board's Order, Page 2 (Exhibit D).

III. ARGUMENT

A. VTB AFFIRMATIVELY ADMITTED THAT THE DISMISSED *SECTION 2(D)* CLAIM WAS THE SOLE BASIS OF ITS OPPOSITION.

VTB asserts that its “other grounds” concerning the ability to register the BABW Mark as well as fraud were pleaded in VTB’s Notice of Opposition.³ These assertions stand in direct contrast to the representations VTB made to this Board that *Section 2(d)* was the *only* basis of its Opposition.

1. **VTB Admitted In Its Response To BABW’s Motion For Summary Judgment That *Section 2(d)* Was The Only Basis For The Opposition.**

VTB’s concession that *Section 2(d)* was the sole basis for its Opposition is set forth in VTB’s own response to BABW’s Motion for Summary Judgment:

Opposer [VTB] *concedes* that Opposer filed a Notice of Opposition to BABW’s application on August 12, 1999, asserting Section 2(d) of the Lanham Act *as the basis for its opposition* – claiming priority of Trademark rights based on prior use of a heart located inside a stuffed animal.

VTB’s Response to Motion for Summary Judgment, Page 3 (Exhibit C)
(emphasis and parenthetical added).

The concession from VTB is clear and unequivocal. VTB affirmatively admits that *Section 2(d)* priority of rights is “THE” basis of the opposition. There are no contextual or other references to infer that *Section 2(d)* priority is only “one of the bases” or “one of the many bases.” Both “the” and “basis” are distinctly singular in this concession. The text and context leave no doubt that VTB asserted only one ground, *Section 2(d)* priority of trademark rights, as the basis for its Opposition.

³ On Page 2 of VTB’s Request, VTB asserts that Paragraphs 13 and 14 of the Notice of Opposition contain the alleged pleading of “fraud.” On Page 4, VTB asserts that Paragraph 16 of the Notice of Opposition contains the alleged pleading that BABW’s mark is not registrable.

2. VTB's Other Admissions Also Demonstrate That The Opposition Was Based Solely On *Section 2(d)* Priority Of Trademark Rights.

The opening paragraph of BABW's Motion for Summary Judgment clearly asserts that "(a)s the sole basis for its opposition, VTB alleges that it used a similar heart in connection with stuffed animals before BABW." VTB never objected to this assertion, nor did it ever suggest that its Opposition was based on any ground other than *Section 2(d)*. Indeed, in its emergency motion under FRCP 56(f), VTB expressly acknowledged BABW's assertion that priority was the sole basis of Opposer's opposition. *See VTB's Rule 56(f) Memorandum*, Page 6 (Exhibit B) (emphasis added).

As VTB's own statements demonstrate, VTB was on notice and understood BABW's assertion that *Section 2(d)* was the sole basis of the Opposition. Despite this knowledge and understanding, VTB never objected to BABW's assertion that *Section 2(d)* was the sole issue. Indeed, VTB did not even hint at its recently alleged "other grounds" in either its Rule 56(f) Motion or its eventual Response to the Motion for Summary. Instead, VTB submitted all documents to the Board maintaining that *Section 2(d)* was the only issue—and that VTB had priority under *Section 2(d)*. Thus, when the Board concluded in its Order dismissing the VTB Opposition that *Section 2(d)* priority was the only ground for VTB's Opposition, the Board interpreted the record exactly as represented by VTB.

A party opposing the entry of summary judgment must inform the Court of the factual and legal reasons why the motion should not be granted but, if the party fails to do so, then the party waives the right to argue that issue. *Winter v. Minnesota Mut. Life Ins. Co.*, 199 F.3d 399, 411 n. 17 (7th Cir.1999). *See also Evolution, Inc. v. Sun Trust Bank*, 342 F.Supp.2d 943, 964 (D.Kan. 2004); *Jorge Rivera Surillo & Co. v. Falconer Glass Indus.*, 37 F.3d 25, 29 (1st Cir.1994); and *Fransworth v. Manor Healthcare Corp.*, No. CIVA01-CV-33, 2004 WL 614774,

at *2 (E.D.Pa. Feb. 10, 2004). Thus, by refusing to present these “other grounds” in the face of a case-dispositive Motion for Summary Judgment, VTB waived any right to pursue these grounds—over and above its waiver for failure to plead such claims.

B. VTB IMPROPERLY ATTEMPTS TO ASSERT UNPLEADED CLAIMS.

The representations made by VTB and the positions taken by VTB in this Opposition make it clear that these new “other grounds” attacking the ability to register the BABW mark were never pleaded, never raised, and never intended to be a part of the VTB Opposition. The rules and precedent from TTAB proceedings are clear that on a motion for reconsideration, the Board should not entertain grounds not raised during the Opposition. To consider such “other grounds” after a full decision on the merits would cause substantial harm and prejudice to BABW whose motion addressed only the issue of *Section 2(d)* priority—the issue conceded by VTB to be the sole basis for its Opposition. To permit any party to raise new grounds after a final decision, as VTB seeks to do here, would encourage litigants to hold back claims or concoct new ones as a means of obtaining an unwarranted second chance. Moreover, it would reward litigants who make a tactical decision to proceed on a particular ground (electing not to plead other grounds in the alternative) and then later raise new grounds only after an adverse judgment.

The rule of law on unpleaded claims is clear and well-known. VTB had a duty to plead any grounds for its Opposition in its Notice of Opposition. *37 C.F.R. § 2.104(a); TBMP § 309.03(c); Young v. AGB Corp.*, 47 USPQ2d 1752, 1755 (Fed. Cir. 1998). Under the TTAB rules of practice, VTB cannot rely on unpleaded claims. *TBMP § 314*. Likewise, VTB cannot defend against a motion for summary judgment by asserting that genuine issues of material fact exist with respect to an unpleaded claim or defense. *TBMP § 314. See also Fed. R. Civ. P. 8(a)*.

In addition to these codified provisions, the TTAB precedent also makes it clear that the Board is “constrained to decide the case only on the ground which was pleaded and tried.” *Levi Strauss & Co. v. R. Josephs Sportswear, Inc.*, 36 USPQ2d 1328, 1329 (TTAB 1994)(refusing a Request for Reconsideration of dismissal of opposition that sought to address Section 2(d) as a basis for the opposition when only Section 2(c)(1) was pleaded by Opposer); *See also Alfacell Corp. v. Anticancer, Inc.*, 71 USPQ2d 1301, 1304 (TTAB 2004)(refusing to consider “unlawful use” as a basis for cancellation when only Section 2(d) basis was pleaded by Opposer.) These cases—under circumstances substantially similar to those in this proceeding—demonstrate that the Board should not consider or entertain unpleaded claims by VTB.

1. Because, Prior to Dismissal, VTB Neither Pleaded Nor Raised the Issue That BABW’s Mark Is Not Registrable On the Basis That It Is Merely Ornamental and Lacks Distinctiveness, VTB Is Barred From Raising This Issue In Its Request for Reconsideration.

VTB’s Notice of Opposition is limited to assertions that VTB had priority trademark rights, a *Section 2(d)* claim. VTB never alleged and never argued that BABW’s mark was merely ornamental and not distinctive. Indeed, in its Response to the Motion for Summary Judgment, VTB asserted that a three-dimensional heart is distinctive—a position in direct contradiction to VTB’s current assertion that such a mark is not distinctive.

a. The text of the Notice of Opposition does not support the assertion that VTB pleaded that BABW’s mark is not registrable on the basis that it is merely ornamental and lacks distinctiveness.

VTB contends that its new theory that BABW will be unable to register its trademark can be found somewhere in Paragraph 16 of the Notice of Opposition. That paragraph reads:

Opposer will be damaged if Applicant obtains registration for Applicant’s mark because such registration would be prima-facie evidence of the validity of the registration, Applicant’s ownership of Applicant’s mark, and Applicant’s exclusive right to use Applicant’s mark in commerce, *when if fact Applicant is not*

entitled to such rights by virtue of Opposer's prior continuous use throughout the United States. (Emphasis Added)

The italicized portion of this paragraph states that BABW is not entitled to the benefits of registration “*by virtue of Opposer's prior continuous use throughout the United States.*” Thus, Paragraph 16 claims only that BABW cannot obtain a registration because VTB believes that VTB had priority of trademark rights—a *Section 2(d)* claim. Nothing in Paragraph 16 remotely suggests that the BABW Mark is ornamental, fails to function as a trademark, lacks distinctiveness, or is otherwise not capable of registration.

b. VTB's previous admission that a three-dimensional heart is “inherently distinctive” demonstrates that its challenge to the ability to register the BABW mark was not pleaded.

VTB's Response to the Motion for Summary Judgment is replete with assertions that a three-dimensional heart is “inherently distinctive.” These statements are significant because they highlight the inconsistency of VTB's position. It is wholly inconsistent for VTB to assert that the Notice of Opposition actually pleaded that a three-dimensional heart *is not* distinctive when VTB devoted an entire section of its Response to the Motion for Summary Judgment to its contention that a three-dimensional heart *is* distinctive. This inconsistency demonstrates that VTB's new theory to challenge the ability to register the BABW mark was never pleaded or put forward by VTB until after the Board determined that VTB did not have priority under *Section 2(d)*—the sole basis for the Opposition.

This inconsistency also highlights the fact that VTB deliberately pleaded a claim for *Section 2(d)* rather than a challenge to the validity of the mark (even in the alternative). BABW notes that VTB filed its trademark application for a three-dimensional heart on the same day that it filed this Notice of Opposition. The concurrent filing of the VTB application demonstrates that VTB believed that a three-dimensional heart is, in fact, distinctive and functions as a

trademark. The decision to pursue only a *Section 2(d)* basis in the Opposition was clearly a strategic decision by VTB and its counsel to select the only perceived basis for an Opposition against the BABW heart mark that would arguably allow VTB to still claim trademark rights in its concurrently filed application.

2. Because, Prior to Dismissal, VTB Neither Pleaded Nor Raised The Issue of Fraud, VTB is Barred From Raising This Issue In Its Request for Reconsideration.

VTB failed to plead or raise the issue of fraud prior to dismissal. In addition to VTB's admission that *Section 2(d)* was the only basis for its Opposition against BABW, the Notice of Opposition does not mention fraud or the elements of fraud—much less with particularity as required for such a claim.

a. The notice does not contain any reference to fraud or the elements of fraud.

VTB contends that its new theory of fraud on the Patent and Trademark Office can be found somewhere in Paragraphs 13 and 14 of the Notice of Opposition. Those paragraphs read:

13. *Opposer believes that Opposer is the first user of the Trademark and Service Mark that are the subject of Applicant's Trademark/Service Mark application Serial No. 75/434,462. In Applicant's application, a declaration was signed by Manager, Maxine Clark, on behalf of Applicant, on February 19, 1998, which declaration included . . . (Emphasis Added)*

14. *On information and belief, when the declaration including the averments set forth in paragraph 13 above was signed, Applicant was aware of Opposer's prior use of the mark. (Emphasis Added)*

The rules for pleading fraud based on representations to the Patent and Trademark office are well established. An opposer claiming that the declaration or oath in an application for registration was executed fraudulently, in that there was another use of the same or a confusingly

similar mark at the time the oath was signed, must allege particular facts which, if proven, would establish that: (1) there was in fact another use of the same or a confusingly similar mark at the time the oath was signed; (2) the other user had legal rights superior to applicant's; (3) applicant knew that the other user had rights in the mark superior to applicant's, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise; and that (4) applicant, in failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which it was not entitled. *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1206 (TTAB 1997).

VTB alleged that it had priority rights in the subject trademark. However, there is nothing in the Notice of Opposition that even hints of a “fraud” claim. There is absolutely no reference to either BABW’s belief as to likelihood of confusion (Element #3) and absolutely no reference to any improper intent of BABW (Element #4). Thus, without pleading the requisite elements of fraud or even using the word “fraud,” Paragraphs 13 and 14 simply stand as further recitals directed to VTB’s alleged *Section 2(d)* priority of trademark rights.

The determination that VTB has failed to plead fraud is a particularly easy one in light of the strict pleading standards for fraud claims. The law is clear that circumstances constituting the alleged fraud must be stated with particularity. *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1205 (TTAB 1997). Not only did VTB fail to plead fraud with particularity, a fatal defect by itself, VTB did not even mention the word “fraud”. Thus, VTB is unquestionably barred from raising fraud in its Request for Reconsideration.

b. VTB's previous arguments to this Board concerning BABW's knowledge of VTB's allegedly prior "use"⁴ were directed solely to VTB's assertion of priority of trademark rights under *Section 2(d)*.

On at least two occasions—VTB's Rule 56(f) Motion and VTB's Response to the Motion for Summary Judgment—VTB argued that BABW knew of VTB's alleged use of a heart. However, these submissions are absolutely silent as to a "fraud" claim. Indeed, after taking the 56(f) deposition, VTB discussed the deposition testimony in its Response to the Summary Judgment Motion – yet never once stated that such testimony constituted fraud. Rather, VTB simply asserted that BABW's alleged knowledge of VTB's activities was proof that BABW *copied* a prior VTB trademark. Thus, VTB argued to this Board that the BABW's *knowledge* demonstrated *copying* which demonstrated that VTB had *priority* under *Section 2(d)*. At no time did VTB make any allegation of or reference to "fraud."

In a case with a strikingly similar set of facts and circumstances—where the Opposer pleaded and claimed one basis throughout the Opposition and then asserted another basis after dismissal—the Board denied the Opposer's Request for Reconsideration to allow continuation of the Opposition on the "other ground." *Levi Strauss & Co. v. R. Josephs Sportswear, Inc.*, 36 USPQ2d 1328, 1329 (TTAB 1994)(Opposer asserted *Section 2(e)(1)* descriptiveness as the only basis for its Opposition. The Board dismissed the *Section 2(e)(1)* claim. In a Request for Reconsideration, the Opposer asked the Board to address a *Section 2(d)* claim or, in the alternative, to allow amendment of its pleadings. The Board refused to consider the new, unpleaded *Section 2(d)* claim and refused to allow amendment of the pleadings.)⁵ The Board should likewise deny VTB's Request for Reconsideration.

⁴ As will be addressed below, this Board specifically held that VTB did not "use" a three-dimensional heart as a trademark.

⁵ The *Levi Strauss* also notes that the Opposer could have asserted both the *Section 2(d)* claim as well as any attack on the ability to register the mark as alternative claims in the same Opposition. The same is true for VTB in this

c. VTB's assertion that it would have amended its Opposition, but had no opportunity to amend is without merit.

VTB's assertion that it would have amended its Notice of Opposition but could not because the proceedings were suspended, is a misstatement of the law.⁶ 37 CFR 2.127(d) and TBMP Section 528.07 provide that, upon submission of a Motion for Summary Judgment, the Opposition is suspended with respect to all matters *not germane to the motion*.⁷

VTB's assertion that VTB "had no opportunity" to file a motion to amend its Notice of Opposition to add a claim for fraud - because the Opposition was suspended - is simply wrong. The TTAB has specifically held that when an Opposition is suspended due to a Motion for Summary Judgment, a motion to amend pleadings to include a claim *is germane*. ***United States Olympic Committee v. O-M Bread Inc.***, 26 USPQ2d 1221, 1223 (TTAB 1993).

Thus, VTB had every opportunity to submit such an amendment prior to dismissal of its case. Instead, VTB did not file a motion to amend, did not address fraud in its Response to the Summary Judgment motion, and waited until *after* dismissal to make this claim of "fraud." VTB's newly concocted fraud claim is a transparent and improper attempt to transform its dismissed legal claim into new legal theory.

Moreover, VTB's current attempt to amend its Notice of Opposition after its failure or refusal to move promptly to do so has substantially prejudiced and unfairly surprised BABW. ***Hilson Research Inc. v. Society for Human Resource Management***, 27 USPQ2d 1423, 1440

case. However, VTB specifically chose to only pursue the *Section 2(d)* claim so as to protect against application of judicial estoppel against its own trademark application for a three-dimensional heart with respect to any claim that the mark was not distinctive. Thus, like the Opposer in ***Levi Strauss***, VTB could have pleaded this grounds in the alternative, but chose not to act in that manner for a specific legal purpose.

⁶ BABW notes that VTB is attempting to have its cake and eat it too. First, VTB claims that "fraud" was pleaded in the Notice of Opposition. Then, in this same Request, VTB says that it would have amended to plead fraud if such motion was available.

⁷ VTB is certainly familiar with these provisions and the determination of "germane" under these provisions since VTB invoked these same provisions in order to obtain a Rule 56(f) deposition during suspension of the Opposition.

(TTAB 1993). Further, consideration of these “other grounds” without notice to BABW would deprive BABW of its procedural due process rights. *P.A.B. Produits et Appareils de Beaute v. Satinine Societa In Nome Collettivo di S.A. e.M. Usellini*, 196 USPQ 801, 804 (CCPA 1978).

VTB could have and—if VTB had actually wanted to claim fraud—*should* have sought to amend the Notice of Opposition long before the Opposition was dismissed on the merits. To hear such claims after judgment on all existing claims or to permit an eleventh-hour amendment of the Notice of Opposition would substantially and unduly prejudice BABW, and encourage parties against whom judgment has been entered to endlessly invent new claims, or hold claims in abeyance—purely for tactical reasons—to the detriment of the opposite party.

This matter has been pending for over five years. During that entire time—up to and including VTB’s Response to the Motion for Summary Judgment—VTB represented that *Section 2(d)* priority was the only issue. To allow amendment of the pleadings at this late stage ignores the fact that BABW reasonably relied on VTB’s representations in preparing and pursuing its case. Plainly, VTB cannot use this artifice to re-litigate this Opposition.

C. THE BOARD’S DECISION THAT VTB HAD NO PROTECTABLE TRADEMARK RIGHTS IN A THREE-DIMENSIONAL HEART ELIMINATES, AS A MATTER OF LAW, THE AVAILABILITY OF A FRAUD CLAIM.

The Board’s decision that VTB has no trademark rights precludes VTB’s fraud claim as a matter of law. As noted above, in order to state a claim for fraud, one of the elements that VTB must plead and prove is that VTB had legal trademark rights superior to BABW’s rights. *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1206 (TTAB 1997).⁸ However, the Board’s decision plainly held that VTB does not have any trademark rights.

⁸ The *Intellimedia* case involved an allegation of fraud based upon the same “stock” declaration language used in the BABW declaration. In that case, the Board held that the declaration is phrased in terms of subjective belief—which is “difficult, if not impossible, to prove objective falsity and fraud.” In the present case, there is no indication from the record that BABW (or Ms. Clark) maintained any belief that VTB used a three-dimensional heart as a trademark.

Therefore, as a matter of law, there are no circumstances under which VTB could state a claim for fraud.

IV. CONCLUSION

VTB's Request for Reconsideration is an improper attempt to substitute new claims that have never been at issue for the pleaded but ultimately unsuccessful claim of Section 2(d) priority of trademark rights. Consideration of all the facts and circumstances, including most importantly VTB's outright admission, demonstrates that Section 2(d) was the only basis for this Opposition. Thus, VTB's request to re-open this case on "other grounds" without prior notice is patently unfair and prejudicial to BABW.

VTB had every opportunity to present a full and fair Opposition in this proceeding. The claims that VTB chose to pursue were unsuccessful. VTB's case has been decided, and legal precedent, due process and judicial economy necessarily preclude VTB from relitigating its claims on alternate grounds.

For these reasons, Build-A-Bear Workshop respectfully submits that VTB's Request for Reconsideration should be denied.

By: /s/ Michelle W. Alvey
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CERTIFICATE SERVICE

The undersigned hereby certifies that the foregoing was served upon H. Jay Spiegel, H. Jay Spiegel & Associates, P.O. Box 11, Mount Vernon, Virginia 22121 by First Class Mail, postage prepaid, on this 4th day of February, 2005.

/s/ Michelle W. Alvey

TTAB

CERTIFICATE OF MAILING

I hereby certify that this correspondence is addressed to: TTAB NO FEE, Assistant Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3513, and is being deposited with UPS for next day delivery on June 14, 2004.

Michelle Alvarez

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

THE VERMONT TEDDY BEAR
COMPANY, INC.

Opposer,

v.

BUILD-A-BEAR WORKSHOP, INC.,

Applicant.

06-15-2004

U.S. Patent & TMO/TM Mail Rpt Dt. #79

Opposition No. 115,198

**MEMORANDUM IN SUPPORT OF
MOTION FOR SUMMARY JUDGMENT**

Introduction

The Vermont Teddy Bear Company, Inc. ("VTB") filed an opposition to the registration of Build-A-Bear Workshop, Inc.'s ("BABW") three-dimensional heart trademark. As the sole basis for its opposition, VTB alleges that it used a similar heart in connection with stuffed animals before BABW.

By this motion, BABW seeks summary judgment in this opposition on the grounds that VTB's alleged use of a heart is merely ornamental and, therefore, insufficient as a matter of law to support its opposition. Even if all of VTB's assertions concerning its use of a heart are taken as true, VTB's use of a heart amounts to nothing more than merely ornamental or decorative use. The facts, the case law, and even the

EXHIBIT

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Levi Strauss & Co. v. Genesco, Inc., 742 F.2d 1401, 222 USPQ 939 (Fed. Cir. 1984).

Further, the Federal Circuit encourages resolution of matters before the Trademark Trial and Appeal Board by summary judgment. *Sweats Fashions, Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987).

Statement of Undisputed Facts

1. BABW filed United States trademark application Serial No. 75/434,462 on February 13, 1998. ("BABW application")(*Exhibit 1*).
2. The BABW application claims a three-dimensional heart located inside a plush or stuffed toy animal. *Id.*
3. On August 12, 1999, VTB filed an Opposition to BABW's Application asserting Section 2(d) of the Lanham Act as the basis for its opposition—claiming priority of trademark rights based on prior use of a heart. (*Exhibit 2, VTB's Notice of Opposition*).
4. On August 12, 1999, VTB also filed trademark application Serial No. 75/774,077 ("VTB application") for a three-dimensional heart. (*Exhibit 3*).¹
5. In connection with its application, VTB submitted the following as specimens of its use of the heart claimed in its application to the United States Patent and Trademark Office ("USPTO"):
 - Excerpts from a 1996 Holiday Catalog referring to "Make A Friend For Life" kits. (*Exhibit 4*)
 - A "blueprint" that was included in the "Make A Friend For Life" kits. (*Exhibit 5*)

¹ For each document received pursuant to the various discovery requests and referenced in this motion, documents numbered with "VTB 000_" were produced by VTB. Documents numbered with "BABW-VTB-00_" were produced by BABW. The discovery requests and the corresponding answers are attached as exhibits.

function as a trademark to signify a source for the goods. Thus, if the ornamental design cannot function as a trademark to identify a source, there can be no recognizable trademark rights in that decorative design.

Indeed, the United States Patent and Trademark Office incorporates this principle in its published rule of practice. The Trademark Manual of Examining Procedure includes an entire section on cases of ornamental matter. *See TMEP Section 1202.03* In the section entitled “Refusal on Basis of Ornamentation” the TMEP clearly states that a decorative feature “does not identify and distinguish the applicant’s goods and, thus, does not function as a trademark.” *Id.* Most importantly, the TMEP reiterates that mere ornamental or decorative use of a design cannot receive the benefits of Section 2 of the Lanham Act in stating that mere ornamentation “does not function as a trademark as required by §§1, 2, and 45 of the Trademark Act.” *Id.* Thus, the clear statement of the law is that Section 2(d)—the entire basis for VTB’s opposition—does not recognize decorative or ornamental use as conferring any trademark rights.

C. There Is No Question of Law or Fact: Vermont Teddy Bear Only Uses A Heart as Mere Decoration and Ornamentation

The parties have provided each other with numerous interrogatories, interrogatory answers, and several hundred documents as proposed evidence in the discovery process. Despite all of this, there is no evidence that VTB used a heart in any manner other as mere decoration for its bears.

For purposes of this motion for summary judgment it is not necessary to dispute the dates or times that VTB alleges that it used a three-dimensional heart. Even if this Board accepts the alleged dates of “use” in the light most favorable to VTB, there is no material question of fact. VTB’s use of the heart is merely ornamental.

Dated: June 14, 2004

BLACKWELL SANDERS PEPER MARTIN LLP

By:



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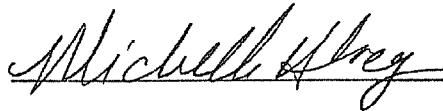
(314) 345-6060 (fax)

Attorneys for Applicant

Build-A-Bear Workshop, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served upon H. Jay Spiegel, H. Jay Spiegel & Associates, 8778 Thomas J. Stockton Parkway, Alexandria, Virginia 22308 by depositing it with UPS for next day delivery on this 14 day of June 2004.



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of:

Trademark Application Serial No.	75/434,462
Filed	February 13, 1998
For the Mark	"BEAR DESIGN"
Published in the Official Gazette	on July 13, 1999 at TM 77

THE VERMONT TEDDY BEAR COMPANY,)	
INC.,)	
)	
Opposer,)	
)	
v.)	Opposition No. 115,198
)	
BUILD-A-BEAR WORKSHOP, INC.,)	
)	
Applicant.)	

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
OPPOSER'S EMERGENCY MOTION TO PERMIT FURTHER DISCOVERY
PURSUANT TO FED.R.CIV. P56(f) TO FACILITATE RESPONSE TO
MOTION FOR SUMMARY JUDGMENT AND REQUEST FOR EXTENSION OF
DEADLINE TO RESPOND TO MOTION FOR SUMMARY JUDGMENT

I. INTRODUCTION

Opposer, THE VERMONT TEDDY BEAR COMPANY, INC., (hereinafter referred to as "VTB"), herewith submits to the Honorable Trademark Trial and Appeal Board (TTAB or the Board) this Memorandum of Points and Authorities in support of VTB's Motion for an Order permitting VTB to depose Maxine Clark, President of Applicant BUILD-A-BEAR WORKSHOP, INC. (BABW or Applicant), before responding to the Motion for Summary Judgment filed on June 15, 2004, the service copy of which was received on that same date.

EXHIBIT

B

Opposer concurrently moves the Board for an Order extending Opposer's deadline for response to Applicant's Motion for Summary Judgment.

On April 16, 2004, Opposer mailed a Notice of Deposition (see Exhibit 1) to Applicant noticing the deposition of Maxine Clark, Applicant's president, to be conducted on June 22, 2004, 9 weeks hence, beginning at 9:00 AM, in Applicant's Counsel's office in St. Louis, Missouri. The date, time and place of the deposition were pre-arranged with Applicant's Counsel, Michelle Alvey.

After over 4 years of settlement negotiations, discovery in this matter commenced in the Fall of 2003. Opposer sent documents it reasonably believed responded to Applicant's discovery requests on May 5, 2004. The letter of transmittal accompanying those documents is attached hereto as Exhibit 2. On May 13, 2004, Applicant's Counsel sent Opposer's Counsel a letter (see Exhibit 3) explaining what Applicant perceived were deficiencies in Opposer's Interrogatory answers and Document production. After reviewing the letter, Exhibit 3, Opposer's Counsel forwarded the letter to VTB and began contacting the Assistant to the President of Opposer, Courtney Griesser, to inquire concerning Applicant's requested clarifications and augmentations and as to whether additional documents could be uncovered that would respond to the concerns expressed in Applicant's Counsel's letter. See Spiegel Dec. at 3.

While Opposer's Counsel diligently pursued seeking the additional information, Opposer's Counsel was aware (see Spiegel Dec. at 4) that the time period from mid-May to the end of June is one of the busiest times of the year for Opposer given the high volume of teddy bear orders that Opposer receives coincidental with the Mother's Day and Father's Day holidays as well as the numerous high school, college and graduate school graduation ceremonies, all of which occur during this time of year. Due to these factors, staffpersons who must assist Ms. Griesser in searching for relevant documents have been unavailable. As such, Ms. Griesser has been unable to complete VTB's further search for additional documents nor to provide clarifications to comply with all of Applicant's requests (see Griesser Dec. at 5). However, Opposer's Counsel has been assured that whatever clarifications may be provided and whatever additional documents might be produced will be furnished as soon as practicable. See Griesser Dec. at 6.

On more than one occasion, Opposer's Counsel has communicated with Applicant's Counsel to explain why Opposer has been unable to quickly respond to Applicant's Counsel's letter of May 13, 2004. In this regard, Exhibit 4 is a copy of Opposer's Counsel's letter of May 14, 2004 expressing the intent to provide the requested information by the end of the week of May 24, 2004. Subsequently, when Opposer's Counsel found that Opposer was unable to take the time away from its busy season to fully address Applicant's concerns by the end of the week of May 24, 2004, Opposer's Counsel

telephoned Applicant's Counsel to explain the problem and express Opposer's intent to comply with Applicant's requests as soon as practicable. See Spiegel Dec. at 5. More than one such conversation took place. See Spiegel Dec. at 5.

At no time did Opposer express to Applicant that Opposer would refuse to comply with the requests set forth in Applicant's Counsel's letter of May 13, 2004. In fact, Opposer's Counsel consistently expressed Opposer's intent to fully comply. See Spiegel Dec. at 5.

On June 14, 2004, Opposer's Counsel received a telephone call from Applicant's Counsel, Michelle Alvey, in which Ms. Alvey explained that she had reviewed all of Opposer's discovery production over the previous weekend, and had concluded that it would be appropriate to file a Motion for Summary Judgment concerning the issue of whether Opposer has been using its claimed Trademark and Service Mark in a manner in compliance with the Lanham Act. See Spiegel Dec. at 6. Opposer's Counsel explained that the requested information would be forthcoming in the near future and that it would be inappropriate to file a Motion for Summary Judgment under circumstances where Applicant was aware that additional discovery was forthcoming.¹ The same day, Opposer's Counsel sent Applicant's Counsel a letter confirming in writing the

¹Both parties served their initial discovery requests within 10 days of one another. As recently as June 4, 2004, Applicant served over 450 pages of documents on Opposer, barely 10 days prior to the date on which Applicant mailed in their Motion for Summary Judgment. See Exhibit 5.

reasons why the supplemental discovery had not yet been produced. See Exhibit 6.

Instead of waiting a reasonable period of time after the most recent production of over 450 documents by Applicant (Exhibit 5), and instead of filing a Motion to Compel Production if Applicant thought Opposer would not be forthcoming with the additional discovery requested, with incomplete information in hand, Applicant decided, instead, to file and serve a Motion for Summary Judgment, that was received barely one week before the date of Maxine Clark's Deposition which had been scheduled, by agreement between the parties, over 8 weeks earlier.

Opposer apologizes to the Board for this lengthy recital of the background, however, Opposer believes it is important for the Board, in considering whether to grant the accompanying Motion, to understand the context under which the Motion for Summary Judgment was filed.

II. THE LAW CONCERNING MOTIONS UNDER FED.R.CIV. P56(f)

A party that believes that it cannot effectively oppose a Motion for Summary Judgment without first taking discovery may file a request with the Board for time to take the needed discovery. TBMP § 528.06. The request must be supported by an affidavit showing that the non-moving party cannot, for reasons stated, present by affidavit facts essential to justify its opposition to the motion. *Id.* Also see Fed.R.Civ. P56(f) and *Opryland USA Inc.*

v. Great American Music Show Inc., 23 USPQ 2d 1471 (Fed. Cir. 1992). In lieu of an affidavit, a party may submit a declaration meeting the requirements of 37 C.F.R. § 2.20. TBMP § 528.06.

Rule 56 provides nonmovants with protection from being "railroaded" by premature summary judgment motions. *Opryland*, 23 USPQ 2d at 1475, citing *Celotex v. Catrett*, 477 U.S. at 326. When discovery is reasonably directed to "facts essential to justify the party's opposition," in the words of Rule 56(f), such discovery must be permitted or summary judgment refused. *Opryland*, 23 USPQ 2d at 1475, citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250 n.5 (1986).

III. ARGUMENT

Applicant's Motion for Summary Judgment (Applicant's Motion) was filed alleging that the sole basis for Opposer's opposition to registration of Applicant's mark is that Opposer was using the same mark earlier and thus has prior rights to those claimed by Applicant. Applicant contends, in Applicant's Motion, that Opposer's use is merely "ornamental or decorative use" not rising to the level of trademark use and, as such, "does not give VTB any trademark rights that can be used as the basis for this opposition." See Applicant's Memorandum in Support of Motion for Summary Judgment (Applicant's Memo) at 2. Opposer contends that the deposition of Maxine Clark will result in the eliciting of information supporting Opposer's contention that its use of its

mark is trademark/service mark use and was prior in time to that of Applicant.

Concerning the issues raised in Applicant's Motion and the accompanying Memorandum, Opposer wishes to depose Applicant's President in two respects:

(a) Opposer wishes to question Applicant's President concerning the manner by which Applicant has used the mark for which Applicant filed the application that is the subject of this Opposition proceeding.² While Applicant's application was based upon an alleged bona-fide intent to use the mark in association with the claimed goods and services, in fact, Applicant contends in this Opposition proceeding that their bona-fide use of the alleged mark first occurred prior to the date on which Applicant's application was filed. Through the testimony of Maxine Clark, Opposer believes that an analogy will be able to be drawn between Applicant's manner of use of their mark, which they claim is Trademark use, and Opposer's use of their mark which Applicant contends in Applicant's Motion and Memorandum is merely ornamental or decorative. Such information, when elicited, will permit Opposer to strongly support Opposer's position that Opposer's use of its mark is Trademark use and will permit Opposer to challenge the credibility of Applicant's argument that it is not.

²Application Serial No. 75/434,462 filed February 13, 1998.

(b) Opposer wishes to question Applicant's President concerning the precise circumstances under which Applicant allegedly created their mark and began to use it. If it can be shown that there is an issue of fact concerning whether Applicant was aware of the existence of Opposer's use of its mark when Applicant adopted and began using its mark, as a matter of law, Opposer will be able to establish, in response to the Motion for Summary Judgment, that there is an issue of fact, mitigating in Opposer's favor, concerning whether Opposer's placement of a heart inside the chest of a stuffed teddy bear constitutes Trademark and Service Mark use.

In this regard, the Board's attention is directed to *McCarthy on Trademarks*, § 7:34 where the following is stated:

"When a distinctive symbol appears in use by a junior user, it suggests an inference of conscious imitation. As one court stated of defendant's use of an involved geometric design:

'Why, out of the exhaustless variety of geometric figures and of methods of grouping should the defendant Dickinson have adopted figures and grouping substantially like those of plaintiff's mark? A purpose to appropriate a trademark in substantial part could scarcely be more manifest.'

The case quoted by McCarthy is *O. & W. Thum Co. v. Dickinson*, 245 F. 609, 614 (6th Cir. 1917).

Thus, proof of copying, which can only be elicited through the testimony of Maxine Clark, raises a substantial issue of fact

favoring Opposer that the mark that was copied is, in fact, a Trademark.

IV. PROPOSED PARAMETERS FOR THE DEPOSITION OF MAXINE CLARK

As explained above, the deposition of Maxine Clark was noticed 9 weeks in advance. One week prior to the scheduled date of the deposition, Applicant filed a Motion for Summary Judgment and now seeks to preclude Opposer from deposing Ms. Clark until after Applicant's Motion is decided. Given the preparation that Opposer's Counsel has undertaken, which began well before Opposer received service of Applicant's Motion, Opposer would prefer to fully depose Ms. Clark on all subjects for which the deposition was sought. However, should the Board approve Opposer's Motion but decline to permit Opposer to depose Ms. Clark concerning subjects over and above those enumerated above, given the time and expense spent by Opposer, some of which will now be wasted, and given the Board's lack of authority to compensate Opposer monetarily, Opposer requests that subsequent to the Board's decision on Applicant's Motion, presuming Applicant's Motion is denied, the Board order that Ms. Clark complete her deposition in the Washington, D.C. metropolitan area at a date, time and place to be agreed upon by the parties during the extended discovery period.

In either event, whether or not the Board grants the accompanying Motion, given the fact that Opposer has had to address the issue of Ms. Clark's deposition instead of the pending Summary Judgment Motion, Opposer requests that the Board grant Opposer a

two week extension of the deadline to respond to Applicant's Motion, namely, to and including July 16, 2004. This extension is requested to also permit Opposer to supplement its discovery, in response to Applicant's Counsel's letter of May 13, 2004, concurrently with responding to Applicant's Motion. In this regard, Opposer's Counsel would agree by Stipulation to a reasonable extension of the deadline for Applicant to reply to Opposer's Response, given the fact that there will likely be new evidentiary material for Applicant to digest.

V. CONCLUSION

For the reasons set forth above, Opposer requests that the Board grant Opposer's Motion and enter an Order such as one of the alternative proposed Orders submitted herewith.

Respectfully submitted,

H. JAY SPIEGEL & ASSOCIATES



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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of:
Trademark Application Serial No.
Filed
For the Mark
Published in the Official Gazette

75/434,462
February 13, 1998
"BEAR DESIGN"
on July 13, 1999 at TM 77

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40 0 111 5198 04

THE VERMONT TEDDY BEAR COMPANY,)
INC.,)
)
Opposer,)
)
v.)
)
BUILD-A-BEAR WORKSHOP, INC.,)
)
Applicant.)

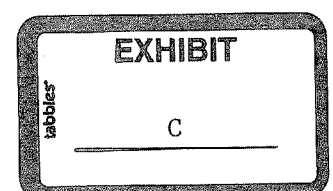
Opposition No. 91115198

**OPPOSER'S RESPONSE TO APPLICANT'S MOTION
FOR SUMMARY JUDGMENT**

Opposer, The Vermont Teddy Bear Company, Inc. (VTB or Opposer) herewith responds to Applicant Build-A-Bear Workshop, Inc.'s (BABW or Applicant) Motion for Summary Judgment (Applicant's Motion or BABW's Motion).

I. INTRODUCTION

No later than May, 1996, Opposer conceived of its "MAKE A FRIEND FOR LIFE" (MAFFL) station for its factory store in Shelburne, Vermont and, shortly thereafter, on or about August 26, 1996, the station was up and running. The most important aspect of that station involved the customer placing a heart into the chest of a stuffed teddy bear the customer was assembling at that station to bring the bear "to life." By August, 1996, Opposer had devised its MAFFL kit including instructions for placement of a heart within the chest of a stuffed teddy bear, and had begun mailing hundreds of thousands of catalogs throughout the United States bearing an advertisement of its MAFFL kits.



Additionally, for the reasons set forth below, Opposer requests that the Board grant Opposer judgment, *sua sponte*.¹

II. FACTUAL BACKGROUND

A. Response to Applicant's Statement of Undisputed Facts

On pages 3-4 of Applicant's Memorandum in Support of Motion for Summary Judgment (Applicant's Memo), Applicant lists 7 alleged undisputed facts. Using the same numbering system, Opposer responds as follows:

1. Opposer concedes that BABW filed United States Trademark application Serial No. 75/434,462 on February 13, 1998 (BABW's application).

2. Opposer concedes that BABW's application claims a 3-dimensional heart located inside a plush or stuffed toy animal.

3. Opposer concedes that Opposer filed a Notice of Opposition to BABW's application on August 12, 1999, asserting Section 2(d) of the Lanham Act as the basis for its opposition - claiming priority of Trademark rights based on prior use of a heart located inside a stuffed animal.

4. Opposer concedes that on August 12, 1999, Opposer filed Trademark application Serial No. 75/774,077 (Opposer's application) seeking coverage for a 3-dimensional heart located inside a stuffed animal, the identical mark for which Applicant seeks federal registration.

5. Opposer concedes that in connection with Opposer's application, Opposer submitted as specimens of its use of the heart claimed in Opposer's application:

¹At the time Applicant filed their Motion for Summary Judgment, Opposer was in the process of clarifying earlier discovery production and augmenting that production pursuant to further search of Opposer's records and contacts with former employees, all at the request of Applicant. Should the Board have any questions concerning any discovery-related issues that Applicant might raise in reply to this response, Opposer formally requests an Oral Hearing so that those questions may be addressed.

C. Prior to Applicant's Filing Date, Opposer Used the Heart as a Trademark

While Applicant can only claim priority going back to Applicant's date of filing of their application, February 13, 1998, the circumstances involved in Applicant's adoption of the heart in the bear mark and initial use have a clear bearing, in this case, on whether Opposer's use of the heart in the bear is Trademark use. According to Applicant's CEO, Maxine Clark, Ms. Clark came up with use of the heart in the chest of a teddy bear on July 4, 1997, while attending a barbeque. See Exhibit 9, Clark Depo. at 22:14 - 23:1. According to Ms. Clark, when the first Build-A-Bear Workshop store opened in St. Louis on October 26, 1997, one feature involved in the assembly of stuffed teddy bears was placement of the heart in the chest of the bear. See Clark Depo. at 13:1-18.

However, Ms. Clark admitted under oath that she had received Opposer's Holiday 1996 Catalog prior to the July 4, 1997 barbeque. See Clark Depo. at 30:1-3. In fact, Ms. Clark identified the page of Opposer's Holiday 1996 Catalog on which the MAFFL kit advertisement appeared. See Clark Depo. at 28:12 - 29:25. That page also bears the address of Ms. Clark. See Clark Depo. at 28:12-19, and Exhibit 4.

Furthermore, Ms. Clark admitted having ordered a MAFFL kit from Opposer's Holiday 1996 Catalog. See Clark Depo. at 30:15-21. Ms. Clark also admitted having received and examined the MAFFL kit prior to the July 4, 1996 barbeque. See Clark Depo. at 30:22-24. Applicant's copying of Opposer's Trademark and Service Mark use of a heart in the bear is clear evidence that Opposer's use of the heart is Trademark use. After all, why out of the exhaustless variety of geometric figures and of methods of grouping should Applicant have adopted Opposer's heart as Applicant's own? A purpose to appropriate a Trademark in substantial part could scarcely be more manifest. *O. & W. Thum, Co. v. Dickinson*, 245 F 609, 614 (6th Cir. 1917). See also *McCarthy on Trademarks* § 7:34.

“A similar red heart-shaped design also appears on plaintiff’s business cards and teddy bear merchandising tags. Apart from the cards and tags, however, plaintiff has not engaged in any advertising.” *Id.*

By contrast, Opposer herein sent out virtually 1 million catalogs throughout the United States advertising its MAFFL kits prior to the filing date of Applicant’s application, February 13, 1998.

See Robert Dec. at 11.

Third, as the District Court stated:

“Where, as here, the plaintiff has not attempted to register the disputed mark with either the United States Patent Office or any appropriate State office, the mark and its use must satisfy the strictures of the common law.”

By contrast, in this case, Opposer has applied with the U.S. Patent and Trademark Office to federally register its Trademark rights. 224 USPQ at 877.

Fourth, the Court found that:

“In light of the longstanding use of the heart motif as a decoration upon all manner of goods, I find the placement of a heart upon the left breast of the Wiley Bear is not inherently distinctive.” (Emphasis added).

By contrast, Opposer’s use of the heart is not “upon” a stuffed teddy bear. Rather, it is within the chest of the bear. Opposer respectfully submits to the Board that there is no evidence in the record of this Opposition proceeding of any third party consistently using the concept of placement of a heart within the chest of a teddy bear as a Trademark. Thus, the findings of the District Court in *Wiley* and of the 1st Circuit affirming that decision are not inconsistent with the Board’s ability to rule that Opposer’s use of a heart placed in the chest of a stuffed teddy bear is inherently distinctive, as the Trademark Examining Attorney decided in Applicant’s application. .

Similarly, the 1st Circuit stated the following:

“Using a red heart as ornamentation for stuffed animals is also far from unique or unusual. The record contains pictures of, and references to, an abundance of plush animals, including many teddy bears, that sport heart designs on their chests or other parts of their anatomy.” 762 F.2d at 142. (Emphasis added).

In an outrageous display of brashness, on October 27, 1998, Applicant's Counsel sent a letter (Exhibit 12) to Opposer's licensee of a MAFFL station in numerous Zany Brainy stores, claiming prior rights in the heart in the bear mark and demanding that Zany Brainy cease and desist from infringing Applicant's Trademark. That letter was sent well after Applicant's own CEO, Ms. Maxine Clark, was fully aware that Opposer had been using the heart in the bear Trademark well before its use commenced by Applicant, namely, when it opened its first store on October 26, 1997. Applicant's allegation of Trademark infringement comprises compelling evidence that Opposer's licensee's use of the heart in the bear mark was Trademark use identical to that of Applicant. That manner of use is identical to Opposer's use of that mark since 1996 and to date. See Robert Dec. at 17.

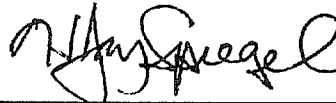
These clear and unequivocal facts established through documentary evidence including the transcript from Applicant's CEO's own testimony demonstrate Opposer's Trademark use of the heart in the bear mark earlier than that of Applicant.

V. CONCLUSION

Resolving all reasonable inferences and doubts against Applicant and in favor of Opposer, there can be no doubt that Opposer's use of the heart in the bear was Trademark use earlier in time than that of Applicant. Accordingly, Applicant's Motion should be denied. Additionally, for the reasons set forth above, Opposer requests that the Board enter judgment in favor of Opposer, *sua sponte*.

Respectfully submitted,

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UNITED STATES PATENT AND
TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

wellington

Mailed: December 17, 2004

Opposition No. 91115198

THE VERMONT TEDDY BEAR
COMPANY, INC.

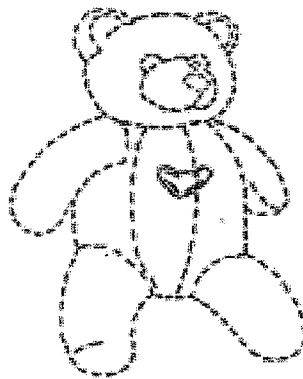
v.

BUILD-A-BEAR WORKSHOP, LLC

Before Simms, Quinn, and Chapman, Administrative Trademark
Judges.

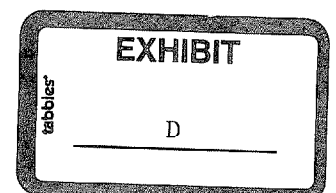
By the Board:

On February 13, 1998, applicant filed an intent-to-use based
application¹ to register a trademark which appears on the drawing
page as:



The proposed mark is described in the application as follows:

¹ Application Serial No. 75434462.



"The mark consists of a three-dimensional heart shaped object. The outline of a teddy bear is used to signify the placement of a heart shaped object inside a stuffed or plush toy animal; the teddy bear design itself is not claimed as part of the mark, as the heart shaped object may be placed in any stuffed or plush toy animal."

Applicant seeks to register the proposed mark for "plush animals and stuffed toy animals" in International Class 28, and "retail store services featuring plush toy animals, stuffed toy animals, and accessories" in International Class 35.

Opposer timely filed its notice of opposition to registration of applicant's proposed mark under Section 2(d) of the Trademark Act, 15 U.S.C. Section 1052(d), on the ground that applicant's ~~mark, as applied to the goods, so resembles a trademark previously~~ used by opposer, as to be likely to cause confusion, mistake or deception. Specifically, opposer alleges, *inter alia*, that it markets various stuffed toys, including teddy bears, by mail order, toll-free telephone numbers, retail stores and an online website; that "one aspect of opposer's business involves encouraging customers to place a felt or brass heart within the chest of a stuffed bear before the chest of the stuffed bear is closed with thread or other fastening means"; that opposer "sells the concept" of placing the heart in the stuffed teddy bear through "Make a Friend For Life" toy animal kits that include a blueprint instructing the customer to place the heart in the teddy bear; that opposer also "markets this concept" within its retail stores and retail stores of others, pursuant to an agreement with opposer,